Coffee in Colombia, 1850–1970

An economic, social, and political history

MARCO PALACIOS

Centro de Estudios Internacionales, El Colegio de México, Mexico City

CAMBRIDGE UNIVERSITY PRESS

Cambridge London New York New Rochelle Melbourne Sydney

PUBLISHED BY THE PRESS SYNDICATE OF THE UNIVERSITY OF CAMBRIDGE The Pitt Building, Trumpington Street, Cambridge, United Kingdom

CAMBRIDGE UNIVERSITY PRESS

The Edinburgh Building, Cambridge CB2 2RU, UK 40 West 20th Street, New York NY 10011–4211, USA 477 Williamstown Road, Port Melbourne, VIC 3207, Australia Ruiz de Alarcón 13, 28014 Madrid, Spain Dock House, The Waterfront, Cape Town 8001, South Africa

http://www.cambridge.org

© Cambridge University Press 1980

This book is in copyright. Subject to statutory exception and to the provisions of relevant collective licensing agreements, no reproduction of any part may take place without the written permission of Cambridge University Press.

First published 1980 First paperback edition 2002

A catalogue record for this book is available from the British Library

Library of Congress Cataloguing in Publication data
Palacios, Marco.
Coffee in Colombia, 1850–1970.
(Cambridge Latin American studies; 36)
Bibliography: p.
Includes index.
1. Coffee trade – Colombia – History. 2. Colombia –
Economic conditions. 3. Colombia – Social conditions.
4. Colombia – History. 1. Title.
HD9199.C62P34 338.1′7′37109861 78-73251

ISBN 0521222044 hardback ISBN 0521528593 paperback

Contents

List	of tables	page	vi
List	of figures		vii
List	of maps		viii
Pref	ace		ix
Ack	nowledgements		xiii
1	The Colombian export economy in the second half of		
	the nineteenth century		1
2	The making of an oligarchy		25
3	Land and society in central Colombia in the second		
	half of the nineteenth century		55
4	The internal structure of the coffee haciendas,		
	1870-1930		77
5	Living conditions and internal contradictions in		
	the hacienda structure		100
6	Inflation, devaluation, and export taxes, 1870-1904		121
7	Crisis and transition towards the second cycle of		
	expansion, 1903–10		141
8	Private appropriation of public lands in the west		161
9	Sociopolitical elements in antioqueño colonization		180
10	Coffee expansion and the strengthening of the Liberal		
	model of development, 1910-50		198
11	The international cycle and coffee policies confronting		
	the peasant, 1930-70		227
App	pendix 1 Sample of coffee estates in Cundinamarca and		
F	Antioquia, 1870–98		259
	pendix 2 Piece-rate wages on two coffee haciendas,		
1	879–1933		260
App	pendix 3 Concentration of the coffee export trade		
	percentage controlled by 20 leading companies), 1933-7	0	261
,	pendix 4 Foreign exchange rates in Colombia, 1870–1970		262
Wei	ghts and measures		265
	ssary		265
Not	•		269
	iography		314
Inde	~		331

Tables

1	Tobacco production: area under cultivation and work force 1840–75	,
2	Colombian coffee exports, 1853–1909	7 19
3	Export estimates for Santander, Cundinamarca, and	19
3	Antioquia	21
4	Price per hectare of uncultivated land in four municipalities	
	of the coffee zones, 1865–91	37
5	Commercial companies investing in haciendas	39
6	Hacienda Santa Bárbara account profitability, 1889-1900	45
7	Santa Bárbara: trends in account profitability, 1889-1900	46
8	Santa Bárbara: production costs and prices of coffee	48-9
9	Sample of hacendado debtors in Cundinamarca, 1905-7	52
10	Censos redeemed in La Mesa, 1864	59
11	Tequendama: population census, 1859	61
12	Population and principal economic activities of the regions	
	of Cundinamarca, 1870	62 - 3
13	Survey of cattle latifundia in Cundinamarca, 1876	64
14	The fragmentation of colonial latifundia and the origins	
	and collapse of the coffee haciendas	66
15	Population and percentage variation of the population of	
	six typical coffee municipalities, 1859-1912	71
16	The coffee haciendas: regional systems	79
17	Hacienda Jonás: employment, wages, and trends in the	
	family money income of the agregados, 1896–1918	107
18	Hacienda Santa Bárbara: money wages and panela prices,	
	1896–1900	109
19	Nutritional content of the jornalero's diet, 1896–1934	111
20	Indices of costs of production, exchange rate, and	
	international price of coffee, 1879–99	130-31
21	Colombian and Brazilian coffee exports, 1880–1910	132
22	Taxes on coffee exports, 1895–1906	133

vii	List of tables and illustrations	
23	Cost of internal transport of 62.5 kilos of coffee in Colombia, 1885–1932	150
24	Prices fixed by the Negocio X and Y for parchment coffee in the second half of 1908	158
25	Profit margin in coffee exported by Vásquez, Correa & Co., 1908	159
26	Adjudication of public lands to ten bogotano merchants, 1875-95	171
27	Adjudication of public lands in Antioquia and Caldas, 1823–1931	176
28	Number of public-land adjudications by size: Antioquia and Caldas, 1827–1931	178
29	Colombia: index of growth of foreign trade, 1905-29	207
30	Markets for Colombian coffee exports, 1863/7-1965/9	212
31	Variation in the number and average size of the coffee plantations by departamentos, 1932-70	229
32	Coffee exports: Colombian and world, 1930-72	232
33	Use of land on coffee farms by farm size	234
34	Yields of parchment coffee by departamento, 1922-70	237
35	Coefficients of inter-departmental variation of productivity, size of coffee grove, and monetary income according	239
26	to size group	239
36	Area yields per hectare in three coffee municipios under the Programa de Desarrollo, 1970	241
37	Trends in social differentiation and migration in 31 coffee-growing municipios, 1938-73	244
38	Distribution of coffee earnings per pound, 1958-72	253
39	Distribution of coffee earnings, 1958-72	257
Fig	gures	
1	Use of land on the haciendas	94
2	Santa Bárbara: labour input, 1886–1902	96
3	Components in the remuneration of labour on Colombian	
	coffee haciendas	102
4	The structure of internal marketing	206

viii List of tables and illustrations

1	The Santander coffee zones	16
2	Cundinamarca pioneering areas and boyacense emigration	60
3	The central coffee zone	65
4	Municipalities important in the coffee economy of the	163
	'antioqueño country'	
5	The Concesión Aranzázu-Colonia Villamaría land	
	dispute, 1851-70	183
6	Coffee cultivation zones, c. 1960	236

1. The Colombian export economy in the second half of the nineteenth century

The way towards 'civilization'

Judging from its limited participation in international trade, Colombia during the nineteenth century was one of the poorest countries of Latin America, with a backward and stagnating economy. Nevertheless, the size of Colombia's exports has never really given an indication of the extent of economic activity in the country. Historically, a large section of the economy has been relatively isolated from the international trade and its accompanying cycles of booms and busts. For example, the sharp fall in gold exports between 1600 and 1650 did not lead to a similar depression of the internal market. The latter, on the contrary, showed signs of dynamism. 1 Again, in 1884 during a marked contraction in the export market, Salvador Camacho Roldán (one of the most distinguished economists of the time) calculated that the value of the agricultural produce sold for internal consumption – excluding subsistence agriculture – was 120 million pesos, over twelve times the value of agricultural exports, which then amounted to 10 million pesos.² Even adding the figures for gold exports, the coefficient of total Colombian exports was rarely over 10 per cent.³ The one period which seems to have been an exception to the rule was the first half of the 1870s, when the export economy began to expand.

The low export coefficient was certainly the result of the Colombian economy's isolation from the flow of capital, manpower, and technology from Europe to the temperate zones of the world.

A straightforward quantitative history of Colombia's exports is still not possible. Nevertheless, Camacho's crude calculations should be accepted, not least because Camacho's overall observations correspond with other nineteenth-century views of economic growth. Classical and neo-classical economists, and even Marx and Engels, shared the view that exclusion from the international stream impeded economic growth. With the benefit of hindsight, one can see that the imperialist epoch and its philosophy of trade did not lead to untrammelled growth, and although no one would suggest that Colombia could have achieved higher rates of growth if it had followed an autarkic model of development, the precise role of trade as an agent of growth is now much more disputed. The influence exerted by the theory of comparative advantage on the ideologies, value systems, and

economic thinking that lay behind the free-trade reforms carried out in nearly all the Latin American countries is well known, as are social and political conflicts.⁵

The expected benefits of participation in the international market offered the nascent and struggling commercial bourgeoisie of the Granadine Confederation an incentive that both corresponded with old ideals of the Independence period and provided a means of its surviving as the ruling class of a developing nation. Crudely stated, a country had either to export or sink into barbarism. No word was used as often or as emphatically as 'civilization', that century's synonym for 'economic development'. 'Civilization' meant free trade and free trade became a science with which to analyse reality. It was seen as the only means of doing away with the archaic stigma of colonialism. Colombians aspired to overcome what they saw as their semi-barbarous state by joining the international system there in the making.

Although the Liberals dominated the free-trade period (1847–86), not all Liberals were free-traders nor all free-traders Liberals. During the reform era of 1847–54, the Liberal faction led by General Jose María Obando (an old santanderista), defended what was popularly referred to as la protección (protectionism). Towards the end of the free-trade period, Rafael Núñez, himself a statesman of Liberal origins, undertook the most formidable and systematic nineteenth-century attack on free-trade ideology, all in the name of a more modern Liberalism.⁶

In the Conservative camp Julio Arboleda, Mariano Ospina Rodríguez, and José Eusebio Caro were all partisans of free trade. Nevertheless, Liberals and Conservatives put different political interpretations on the role of free trade in society. For the free-trade Liberals (known as gólgotas), the principles of free trade were inseparable from the political postulates associated with the democratic radicalism of the European revolutions of 1848. The Conservatives in turn, as first represented by Arboleda, Ospina, and Caro, saw free trade as compatible with a hierarchical political and social structure in the Spanish tradition, capable of republican expression.

It is important to note that there were limitations to gólgota domination during the free-trade period. Their political hegemony lasted only the ten years from the coup of 1867 (with its subsequent state trial of General Mosquera) to the end of the civil war of 1876, when the independiente Liberal faction led by Núñez began its ascent. Furthermore, during the lifetime of the Federation, the support for the gólgotas was never more than regional, heavily concentrated in Cundinamarca. The two sovereign states of Antioquia and Tolima, centres of Conservative resistance during these years, openly rejected the ultra-liberal tenets of the national constitution of 1863 in the drafting of their own local constitutions. 9

3 The export economy in the nineteenth century

Coinciding with the mid-century reforms, there began a succession of agricultural export cycles of short- and medium-term duration. These proved beyond doubt that there existed a certain internal mobility of resources within the Colombian economy. These movements are dealt with in more detail in chapters 2, 3, and 7, but it is useful to mention a few cases now. For example, the capital accumulated by the mining and commercialization of antioqueño gold made its way to the centre of the country, and during the 1850s played an important role in the investments made in Ambalema, the main tobacco-producing region. At the end of the century, antioqueño capital was helping to develop coffee production in the south-western part of the department, as well as cattle in the Lower Cauca region and on the Atlantic coast.

The inter-regional migration of labour was more restricted. Nevertheless, in each of the three regions which developed coffee production at the end of the century, that is the north-east (Santanderes), the centre and south-east (Boyacá—Cundinamarca—Tolima), and the west (Antioquia), the labour supply remained elastic except during times of armed conflict. One last point: the distribution of land responded adequately to the needs of the export economy. The process was carried out by land sales (in which mortgages were very much in evidence) and by the concessions in and sales of public lands.

Indeed, the very ability of the internal productive structure to respond to the demands and fluctuations of the external market was a clear indication of the capitalist development which was getting under way. After all, in the thirty years after 1847 there were three distinct shifts in investment, first to tobacco, then to indigo and quinine, and finally to coffee, each of which demanded the mobilization of capital and the organization of land and labour on a scale which was by no means inconsiderable for a country whose economic resources were modest even by Latin American standards.

The relative, and even surprising, mobility of capital described above occurred in a very restricted environment. Colombia was essentially an agrarian society. The techniques of production were still so primitive that savings generated by the most important sector of the economy were very scant. In these conditions the opportunities for productive investment were limited, both in size and in possible direction.

The transport bottleneck

From the middle of the century the allocation of available resources depended on comparative international advantage. But the geographical location of the centres of production still required social capital investments (for example

4 Coffee in Colombia, 1850–1970

in transport) before their products could become competitive. The problem was that the capital was not available locally. Partial solutions to this problem were found, in that Colombia's isolation from foreign capital was not absolute. In the mid 1850s the rise in tobacco exports attracted a small group of foreign investors, most of them small businessmen in their country of origin, although some had the backing of grander speculators. Some of these managed to establish themselves in Colombia, and later to form association with local capitalists (particularly the Santa Marta group) without difficulty. This foreign investment was quite different in scale and in nature from that made by the British in the River Plate. The positive impact these enterprises had on the development of steam navigation on the Magdalena river is nevertheless undeniable. 10

During the ascendancy of tobacco no less than fifteen steamers travelled the river. The boats must have represented a net investment of 800,000 pesos gold, a sum which would have been impossible to extract exclusively from internal savings for such a high-risk venture. Local commercial capital preferred surer speculations and shorter-term investments, patterns that can be seen in the operations of *bogotano* banks of the 1870s, funded with local capital. The dominant Colombian firm of the 1850s, Montoya y Sáenz, itself functioned in the same manner. 11

Towards the end of the 1880s twenty steamboats were running on the lower Magdalena, most of them between Barranquilla and Yeguas, some few kilometres below Honda. On the upper Magdalena there were two small steamers which occasionally reached Neiva. There were also small steamers on the Lebrija river, which connected the region of Bucaramanga with the Magdalena, as well as a steamer on the river Cauca between Cartago and Cali. The steamer of the lower Magdalena had a capacity of 40,000 cargas in each round trip, enough to satisfy demand.¹²

Nevertheless, the lack of capital prevented the development of an adequate system of transportation, and this lack continued to be one of the major bottlenecks of the Colombian economy during the period. A system did evolve whereby in theory local roads were built and maintained by the *servicio personal subsidiario* (personal-service subsidy) which the poor paid annually in work and the rich in cash. The system functioned to some extent in all the federal states, a corvée which aroused the ire of many Radical Liberals. ¹³ Federal roads and bridges were a different matter. During the Liberal epochs, contracts were given to private firms which undertook to construct and maintain roads and bridges in return for concessions in public lands and the right to levy tolls. However, this system was generally a failure and the states soon had to allocate sums directly from their budgets for the construction and administration of their trans-

port systems. In addition, the era of contract building led to many conflicts, and even to political problems over state boundaries.14

The history of the railroads is also complicated by the political and regional interests involved, as well as by much debate on their economic consequences. In general, the federal states of 1863-85 and thereafter, though to a lesser degree the departments and the central government, took on the cost of building and administering the railroads. There were exceptions, such as La Dorada railway and the United Fruit Company railroad, but they were few in number. The various state organs tried to meet the costs through a wide variety of financial expedients. In spite of the railroad fever which gripped the country in the 1870s, a number of politicians remained lukewarm to the idea of basing the country's transport system on railroads. Camacho Roldán convincingly upheld an unpopular viewpoint, shared by a few others. He pointed out that the costs of railroad construction were too high, taking into account the country's low population base, difficult topographical conditions, the lack of national or foreign investment capital, and the inability of the state to guarantee debts incurred in building the system or to administer it once built. He referred to eight projects of which four had collapsed, and he considered it a miracle that more had not failed. 15 By 1883, 150 kilometres of track had been laid and put to partial use. By 1888 the length of the lines had been extended to 240 kilometres. Eight lines were involved, of which four serviced the maritime ports of Barranquilla, Cartagena, Santa Marta, and Buenaventura and a part of the frontier with Venezuela. The La Dorada railway, which was completed in 1888, joined the upper and lower Magdalena. 16 The other lines took a long time to complete: the Girardot line was not finished until 1910, and the antioqueño (Puerto Berrío-Medellín) line not until 1929. After 1888 five more lines were opened, making a total of thirteen by 1915, with a combined length of 1,120 kilometres.¹⁷ In that year, the coffee centres of south-western Antioquia and the caldense region had yet to be connected with the Pacific system. Nor had the Manizales region been connected with Mariquita near the Magdalena river. Although the second, and most important, cycle of coffee expansion was beginning, mules continued to be the main means of getting the coffee from the fincas to the principal market centres or to the river ports.

The differential impact of the cycle on the state and on the regions

A very well-known trait of the Latin American export economies, which has manifested itself down to the present day, is the heavy dependence of

6

government finances on the external trade cycle. Any unforeseen or drastic rise or fall in the income earned from exports affects (after a timelag) imports and Treasury receipts, upsetting the state budget. This in turn creates political tensions which have nearly always led to crises, contributing to the general atmosphere of instability. 18 But the Colombian peculiarity is that the cycle does not affect as markedly the social and economic structures of the country. This situation is the result of the low export coefficient which has already been referred to. Nevertheless, some sort of wider explanation is required. Historically, the ties between the state and the agrarian society were weak, indeed well-nigh non-existent, from Independence until well into the twentieth century. The state-peasant relationship in Colombia is the exact opposite of the classic case of Imperial and Kuomintang China, where the state was able both to exploit economically the rural population through an elaborate system of taxes, and to keep the vast majority of the population under political control. ¹⁹ For example, a Colombian official, faced with a large budget deficit, can implement any measure to solve the crisis, except one which would involve the imposition of an exceptional tax on the bulk of the agricultural population and their production. Such an act is inconceivable, not least because the bureaucracy and organizations to implement it do not exist. Of course a prolonged export crisis can dislocate everyday life and even alter the social basis of a region dependent on the external market. The latter happened in some of the tobacco-, cotton- and banana-producing regions. But the population and the areas affected by decline were insignificant at any given time in relation to the majority of the population, which did not feel any direct effects of the depression. This generalization remains true for the coffeeproducing regions, at least during the period that is the main subject of this chapter.

The well-known history of tobacco production offers a good example of what has been said above. For the purposes of analysis we can take the mean production figures for land and labour which predominated in the Ambalema region during the 1850s, before the fertility of the land was exhausted. One hectare, on average, contained 10,000 tobacco plants which produced 150 arrobas per year, of which 100 came from the main harvest, and 50 from the secondary. One efficient cosechero, or tobacco tenant, could take care of 5,000 plants or half a hectare. If we extrapolate these proportions to national production we get the result in table 1. This sketchy example shows how the fall in the level of employment and area under cultivation were so marginal that it cannot be compared with the political consequences of the crisis in tobacco production: namely, the fall of Liberalism. Even in a major tobacco-growing region like Girón, the export

Table 1. Tobacco	production:	area under	cultivation	and work ford	сe,
1840-75					

Years	Hectares	Harvesters
1840-5	1,310	2,620
1850	2,650	5,300
1858	7,500	15,000
1865	8,000	16,000
1875	5,100	10,200

crisis went unnoticed owing to the marginal role of tobacco in the agricultural sector.²¹ The decline of Ambalema as a producing region opened the way for the rise of Carmen de Bolívar, which from then on took the lead in tobacco production for local consumption.

The dynamism of the local economies contrasts with the cyclical nature of the export economy. The case of cotton production and its effects on the Santander economy helps illustrate this. Once again, extrapolations help make the point clearer. It is assumed that the mean national productivity level was that of Santander in 1880: 400 kilos per hectare. The export statistics confirm the familiar pattern: exports rose during the American Civil War, only to fall when it ended. Coincidentally, the pessimism of the elite set in. Taking the productivity figure as given above, and arbitrarily accepting that all production was exported (which was not the case), the following statistics on land under cotton cultivation emerge: 3,800 hectares in 1866-70, 2,500 in 1870-5, and 1,600 in 1876-9.²² In any case the figures highlight the infinitesimal amount of land actually under cotton cultivation. A different picture is given by the Commissary for National Agriculture, who in 1880 wrote to B. Koppel, the United States Consul in Bogotá, describing cotton production in Santander as follows:

'there are 5,000 hectares of cotton under cultivation, with a production of 2 million kilos, of which 872,000 kgs. are exported to Boyacá and Cundinamarca at a price of 12½ cents per kilo. The rest, 1.1 million kgs., is used in Santander to produce more than 500,000 kgs. of thread worth 60 cents per kilo. An additional 100,000 kgs. of English thread valued at 2.42 pesos per kg. or 1.1 pesos per English pound, are used to manufacture 25,000 units of 51 metres each of common and fine coloured cotton shirting, which is sold from 12 to 21 dollars per piece, and for these were used 300,000 kgs. of thread of both kinds amounting in value to 350,000 pesos; 830,000 mts. of linen in which are used

100,000 kgs. of domestic thread, which being sold at 15 cents per metre gives the sum of 125,000 pesos; 100,000 bed-spreads and hammocks valued at 200,000 and in these have been used 250,000 kgs. of domestic thread together with a small quantity of English thread. The remaining 13,800 kgs. of thread are used in making caps and heels for hempen shoes. Some of these items, valued at 365,000 pesos, are exported to Venezuela and other Colombian states. Santander buys 200,000 metres of linen for internal consumption valued at 40,000 pesos.²³

In 1880 these artisan manufactures of Santander were continuing to swim against the economic current, favoured by their close links with local agriculture. Looking at the case more closely, it can be seen that the miniboom in cotton production only affected a few localities in Bolívar in northern Colombia. The experience of cotton production in fact seems to confirm the observation made by a student of Santander in the nineteenth century: local prosperity owed more to its isolation from international trade than to integration with it.²⁴ Not many contemporaries in Bogotá would have felt in sympathy with such a line of analysis.

The commercial bourgeoisie, which was caught up and directly engaged in the uncertainties of the cycle of coffee, learned one major lesson from the pre-coffee export cycles: the need to diversify as a means of protection against the trough. This will be discussed in more detail in chapter 2. It must be noted that the merchants lived in the era when the gold standard (in Colombia, a gold and silver standard) was strictly adhered to, and that consequently fluctuations in international prices were reflected immediately and automatically on the balance-sheets of the commercial enterprises involved in the export-import economy. Bankruptcies of commercial firms, such as Montoya y Sáenz, and the less well-known cases of the trabajadores de la tierra caliente involved in quinine and indigo production reinforced the above awareness.²⁵ The repurcussions of bankruptcies were so immediate and direct on the local commercial economy that they led to wild fluctuations in interest rates, and when combined with an export crisis to fluctuations in the exchange rate. In such an unsettled climate, merchants preferred to buy bonds of the internal debt, to invest in shortterm commercial loans to import-export firms, and to maintain liquidity in gold (bills of exchange on London), or even to export their capital. Investment in land or urban property was, in any case, a very speculative affair, especially after the mid 1870s when the inflation rate began to accelerate.26 Investment was not determined by calculating the profitability of agriculture in relation to the interest rate; it was conditioned more by the dividends resulting from the monopolization of land and of well-situated urban property in a time of marked inflation and of a crisis in the agricultural

export cycle. The coefficient of the year-to-year variation of prices for tobacco was 30 per cent between 1846 and 1880.27

Political instability

Another important characteristic of these merchant families was their participation in party politics. This participation was nearly always active. The close and systematic relationship between parties and families is analysed in detail in chapter 2. Party loyalties, regional loyalties, ideologies, values, and norms all seem to have depended on the export curve. Nevertheless, when the latter turned downwards in a particularly marked and rapid decline after 1875, the so-called transition from laissez-faire to 'positivism' was not produced automatically. Nor was the transition process as clear as it may have been in other Latin American latitudes.

From 1885 the Regeneración, or Regeneration period (1886–9), represents a break with the Liberal era in many ways, but it was more difficult to maintain political hegemony at that time than previously. The inability of any social group or class to control the state apparatus becomes more apparent, now that functions the state should normally fulfil are so clearly thwarted by the lack of an integrated economy. The formula implied in the Unitary Republic was diametrically opposed to the local particularism of the Federal period; yet it had to work within a loosely centralized power structure. The regional oligarchies were ill disposed to pay the fiscal price of political centralization, and at the same time the export economy entered one of the most deficient periods of its history.

It is in this context that the formulation of the economic policy of those years, and the response of the merchants involved in the export trade, should be analysed. The area of greatest interest seems to lie in the political and ideological arena, but that falls outside the scope of this book. Nevertheless, this aspect should be stressed here: in Colombia the central and secular state, with its 'progressive' or 'developmentalist' ideology, only partially achieved its aims. The Liberal bourgeoisie, alienated from political power, organized their opposition in terms of a return to the free-trade governments of the past, in spite of their continued accumulation of capital and riches in the subsequent period of the Regeneration. A 'positivist' elite did not materialize, and in accord with the logic of party alliances, Núñez had to accept Conservative support, and make pacts with the Church, returning to it prerogatives and privileges it had lost. As a result, he weakened the very state he was trying to strengthen.²⁸ The Conservative leaders and caciques, and their dependent forces, the proponents of a traditional hispanist ideology and the Church, all allied themselves to Núñez's national vision, which in its

most skeletal terms expressed plans for industrialization, material progress, and the centralization of political power and authority. Thus it is not surprising that the ideology of free trade and the romantic Liberalism of the mid century should have continued to capture the imagination of youth and to retain the loyalty of the merchant bourgeoisie at least until the end of the nineteenth century, and even beyond. The legitimacy of the national bank and the paper money the government forced as currency on the economy were questioned as part of a wider conceptual attack shared and politically defended by an important faction of the enlightened bourgeoisie located primarily in the centre and east of the country.

The economic collapse of the 1870s highlighted three major problems of Colombian politics and economics, which the Regeneration tried to solve. Colombia was an overwhelmingly agricultural country, crippled by topographical conditions and the huge distances which fragmented it, and by the political instability which manifested itself in violence, electoral feud, and civil war. Turning Colombia into a country industrialized on a national and integrated scale, and one governed by stable and democratic institutions, seemed to require a major change in the political process. It seemed absolutely necessary to establish political peace via a strong presidential system which would curb the anarchistic tendencies of federalism.

Political stability was not seen as an end in itself: it was viewed as the means to expand and develop both transport and productive investment, which in turn were seen as more than functions of the external market. The diagnosis of, and the solutions to, the problems offered no new insights; and the obstacles facing their implementation were formidable. During the last thirty years of the nineteenth century, a curious and contradictory development was taking place. The technological advances being made, the increasing economic integration of the world, the social change produced by urbanization in the United States and Europe were accompanied by the political retreat of the Liberals and constitutionalists, who dominated these developments, and the ascendancy of Conservatives on the right, and socialist movements in a few countries on the left. It was a time when the executive was gaining ground against the legislature. In England, the Liberals fell in 1885, giving way to twenty years of Conservative rule. In the United States the Republican party came into its own, as did the republicans in France, where Opportunists and conservatives held power between 1880 and 1898.²⁹ The Colombian elite could not be immune to these developments.

Colombian political parties took sides depending on their reaction to the following contradictions, to which no peaceful resolution seemed possible: centralism versus federalism; clericalism versus secularism; insti-

11 The export economy in the nineteenth century

tutionalism versus caudillismo; strong executive versus weak legislature or vice versa. In the politics of the municipalities these contradictions mixed with local interests and aspirations. From the above set of alternatives the politicians of the Regeneration chose centralism, clericalism, and an institutionalism which consisted in eliminating caudillismo and caciquismo, which were seen as deriving their existence from the 'abuse' made of universal suffrage and the weakness of the central government. It can be argued that the civil wars of the second half of the nineteenth century were fought to resolve these contradictions, one way or another. The problem was, however, that these wars never reached their logical conclusion, the total destruction of the vanquished. This last observation throws into relief the high level of direct participation of all elements of the local oligarchy in the wars. In such social conditions, victories were bound to be ephemeral. It was only after the Three Years' War (1889-1902), and during the fiveyear term of office of General Rafael Reyes (1904-9), that the oligarchy finally achieved some consensus which permitted the continuity of the Conservative Republic and the formulation of plans for economic development based on the Porfirio Díaz model.30

Continuities in 'export-led development'

During the decade of the 1870s, many Latin American countries, especially those of the River Plate region, were incorporated into the international economy with unprecedented rapidity and completeness. This development can be interpreted as yet another sign of the transition from the era of competitive capitalism to that of imperialism.³¹ In Latin America the period from 1870 to the world crisis of 1930 is generally known as the period of desarrollo hacia afuera, export-led and outward-looking development, and it is assumed that the agricultural-mining-export sector was the leading sector of the economy. Applying these generalizations to the Colombian experience is a dangerous exercise: 'export-led development' does not really occur in Colombia until after 1910. It is true that coffee exports grew rapidly between 1870 and 1897, after which they stagnated until 1910-12, but coffee exports by themselves could not in those nineteenth-century years recapture the level of exports set in 1845-75. The year 1870 was not the symbolic date in Colombian history which signified the social and economic transformation of the country, as it was elsewhere in Latin America. Nevertheless, by 1870 coffee was spreading away from the Santander redoubt it had held since the 1850s. The decade of the 1870s represents one of the great watersheds in Colombian history: in one sense they are the years when Liberalism was at its political and

ideological height, and when the export economy reached its nineteenth-century peak. In another sense, however, the decade represents decline: by the late 1870s the catastrophic fall in tobacco exports made inevitable the demise of the political and economic system based, optimistically, on the axiom of free trade.

In spite of all that has been said earlier, there were important elements of continuity between the pre-coffee export economy and the first cycle of coffee expansion (1870–1910). In spite of the sketchy nature of the periods as set up, and the differences between the two which have been discussed, together the periods represent the civilizing blueprint of the free-traders. Frank Safford is right when he states that the 1870s mark the transformation of an economy based on gold, mules, and tobacco to one dominated by coffee, railroads, and banks.³²

The transformation was certainly less clear-cut than his phrase suggests. The commercial banks were a product of the end of the tobacco era and the banking capital of Antioquia came from mining and trading in gold. The mule as a form of transport was even more important for coffee than for tobacco: the geographical location of the centres of coffee production meant that mules remained an essential form of transport during the first and even second cycle of coffee expansion. In addition, the steady and continued export of gold in the second half of the nineteenth century helped sustain coffee. The total value of gold exports (including minted gold coins) was surpassed by the value of coffee exports only in the 1890s.

Before beginning an introduction to the first coffee cycle, two more general points should be made about the continuity the advent of coffee represented for Colombia's economy and society.

Coffee introduced greater variety to the agricultural structure. It was grown in the temperate zones — heights between 1,000 and 1,800 metres above sea-level — alongside traditional crops, whose production had evolved considerably since colonial times. The most important of these crops was sugar-cane, which was crudely processed in rustic trapiches which extracted the miel to make guarapo and aguardiente (fermented drinks), and fabricated panela (loaves of unrefined sugar). These products were often sold in distant towns and isolated mining centres. Coffee coexisted with sugar-cane, maize, yuca, arracacha (a root vegetable: Arracacia xanthorriza Bancroft), and, in some regions, with livestock production after the introduction of certain varieties of grass.

Coffee has a natural cycle of both weeding and harvesting. Both activities are very labour-intensive, and thus coffee accommodates itself to another basic institution of traditional Colombian agriculture: the peasant family